



DOR NewsRelease

Commonwealth of Massachusetts

Department of Revenue

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January collections total \$1.792 billion

Collections slightly above revised benchmark but \$409 million below that of a year ago

Revenue Commissioner Navjeet K. Bal today announced that preliminary revenue collections for January 2009 total \$1.792 billion, down \$409 million from last January.

Total tax collections were \$25 million above the monthly and year-to-date benchmarks that were revised by the Executive Office for Administration and Finance on January 13, 2009.

Income tax cash estimated payments (including taxes collected on capital gains) for January totaled \$554 million, down \$308 million or 35.8 percent from a year ago and \$1 million below the revised benchmark. Income tax cash refunds totaled \$77 million, up \$12 million from a year ago and \$25 million above the monthly benchmark as a result of faster-than-projected processing. The average income tax refund of \$530 was unchanged from a year ago.

Withholding tax collections totaled \$768 million, down \$68 million or 8.1 percent from a year ago but \$36 million above the revised monthly benchmark. The decline in withholding was the result of two timing issues that reduced January withholding collections relative to last year by \$95 million to \$100 million. Much of that withholding income is expected to be received in February this year.

“January’s performance was in line with the revised forecasts for a sagging economy,” Bal said. “Collections of virtually every tax type are running behind that of a year ago, but they are relatively close to the downwardly revised benchmarks.”

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Sales tax collections totaled \$361 million, down \$34 million or 8.7 percent from a year ago and \$7 million below the revised monthly benchmark. Corporate/business taxes, which are historically low in January, totaled \$25 million, up \$19 million from the same period last year and \$21 million above the monthly benchmark, largely due to lower corporate refunds.

FY09 year-to-date tax collections total \$10.851 billion, down \$480 million or 4.2 percent from the same period a year ago. Collections are down in every major category. Income tax collections are \$358 million less than those at the same point a year ago, down 5.2 percent. Sales and use tax collections are down \$112 million or 4.5 percent, with the sales tax on meals the only tax type running ahead of a year ago, in this case by \$1 million. Corporate and business tax collections of \$898 million are down \$7 million or 0.8 percent below that of a year ago.